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★★★

Kerry Morrison  
Executive Director



Hollywood Entertainment District  
Property Owners Association  
1680 N. Vine Street, Suite 216  
Hollywood, CA 90028  
phone 323 463 6767 fax 323 463 1839

April 27, 2006

TO: Holly Wolcott  
Office of the City Clerk

FROM: Kerry Morrison  
Executive Director  
Hollywood Entertainment District POA

SUBJECT: First Quarter  
January 1, 2006 - March 31, 2006

As is required in our Agreement with the City of Los Angeles, I am submitting our First Quarter Report to summarize key activities of the Hollywood Entertainment District.

## I Operational Issues

- The Board held a strategic planning retreat on February 3, 2006. It was facilitated by David Feehan, the president and CEO of the International Downtown Association. The retreat report was sent to the Board for review and discussion at their April 2006 board meeting, and will be sent to the property owners along with the Annual Review statement in May.

## II Security

- The City Council adopted a motion in January approving the donation of an additional \$80,000 worth of video surveillance cameras and related equipment to the Los Angeles Police Department.
- HED staff conducted a walk-through with Metro Video Systems on January 20, 2006 to look at the four potential sites for cameras in the District.
- Hold harmless letters and Installation Agreements were sent to the four property owners installing equipment on their properties to support the camera system.
- HED staff and the security team continue to monitor the situation in Selma Park, where a Saturday feeding program for homeless individuals has

overtaken a park intended for neighborhood children. Attempts will be made to organize the families to prevail upon the council office to declare the entire park a "children's only" playground.

- The contract with Burke Executive Security was renewed through 12/31/06. The amount is \$1,012,000. This particular contract includes a component for a 10-week demonstration project whereby one footbeat of armed officers will be replaced by two unarmed ambassadors for the summer months in an attempt to see if there is a significant impact on public safety by moving to a "hybrid" security patrol arrangement.

**III Streetscape Issues**

- To complete the "Fan Palms West" project, all terrazzo was repaired in January.
- The city of Los Angeles denied the HED's grant request (city beautification grants) to fund furniture for the Hollywood Boulevard "public patio." The Board is still committed to this idea, however, and authorized an expenditure of \$3,000 from Special Projects to fund the tables and chairs for this demonstration project.
- Tru Green Landcare was contracted to trim all the trees along the Walk of Fame. These expenses are currently paid for by the Hollywood-Vine Assessment District.

**IV Marketing Issues**

- HED had to re-configure its proposed pole banner campaign due to recent changes to the city ordinance governing pole banners. The language must be content neutral. Five out of the six sponsoring organizations were identified by the end of the first quarter: Verizon Wireless, Hollywood Wax Museum, The Music Box at the Fonda, Whole Foods and Clarett Group.
- The Board authorized a \$22,000 media buy to run the "Hollywood 90028" radio ads again this summer on KCRW. The 10-week strategy touts the desirability of this area as a residential destination.
- The Committee has begun researching the possibility of seeking corporate sponsorships for a public art installation for this year, or 2007, in an attempt to drive more foot traffic to Hollywood Boulevard and also provide alternatives to some of the deteriorated storefronts and buildings that still dot the landscape. Currently the HED is working with Los Angeles Contemporary Exhibitions on this idea.

V. OTHER

- Dr. John MacDonald of the RAND Corporation met with Kerry Morrison in January and visited a board meeting. He is involved with a four-year research project, funded by the Center for Disease Control, which will focus on BIDs and their interactions with surrounding communities and their impact on quality of life in the expanded neighborhoods.
- At the February 16, 2006 meeting of the Board, the directors amended the street closure policy to essentially oppose any street concert of athletic events held in the HED unless the private event sponsors fully reimburse the city for all direct costs associated with these events.
- Board member John Tronson attended a meeting on 3/22/06 with city officials to discuss the L.A. Triathlon and the desire on the part of the HED to see the route moved out of Hollywood next year. Further, the HED has formally requested a public hearing on the Triathlon, prior to the city considering the renewal or extension of the contract with the city, which expires after the 2007 event.
- Kerry Morrison was interviewed on February 2, 2006 by the BBC who was doing a documentary about the Los Angeles Police Department and was seeking information about how community groups work closely with LAPD on problem solving and public safety issues.

Hollywood Entertainment District – First Quarter Expenditures

Revenue Received to Date: \$ 914,089

Budget Line Item	Budget Allocation	Total Expended this Quarter	total Expended YTD	Projected Remaining for the Year
Security	1,112,000	229,154	229,154	882,846
Maintenance & Streetscape	636,195	106,530	106,530	529,665
Marketing & Consulting	156,000	19,901	19,901	136,099
Administration	136,271	44,909	44,909	91,362
Personnel	221,676	57,910	57,910	163,766
Contingency	60,000	-	-	60,000
Total	2,322,142	458,404	458,404	1,863,738

	ORIG BUDGET	January Actual	February Actual	March Budget	March Actual	March Difference	April Budget	May Budget	June Budget	July Budget	August Budget	September Budget	October Budget	November Budget	December Budget	YTD	ORIG BUDGET	DIFFERENCE
INCOME																		
Gross Assessment Income	2,377,555	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,377,555	-
<Projected delinquencies>	(75,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(75,000)	-
Net Income	2,302,555	-	-	-	-	-	218,866	183,000	650,000	260,000	-	65,000	30,000	17,555	-	-	2,302,555	37,865.43
Assessment Penalty Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	10,000	381	1,070	650	1,883	1,013	700	700	900	1,800	1,400	1,700	1,000	100	100	-	11,694	1,693.90
Misc Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	2,312,555	361	915,169	220,650	1,883	(218,687)	219,546	183,700	650,900	261,800	1,400	88,700	31,000	17,655	100	-	2,312,555	39,448
EXPENSES:																		
Security contract	1,012,000	79,589	75,483	75,000	75,040	80	75,000	82,000	75,000	104,000	85,000	108,000	94,000	73,000	78,000	-	1,012,000	(1,488)
Security office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security contingency	100,000	-	2,946	-	76	76	-	-	-	-	-	40,000	30,000	-	30,000	-	103,022	3,022
Maintenance & Streetscape	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance contract	636,195	51,446	55,083	51,850	-	(91,650)	53,405	53,405	53,405	53,405	53,405	53,405	53,405	53,405	53,405	-	597,175	(49,021)
Miscellaneous - Streetscape	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tree expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Consulting	60,000	3,234	584	5,000	4,320	(680)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-	53,148	(6,852)
Marketing Activities	20,000	-	-	-	-	(18)	-	-	10,000	-	-	-	-	-	-	-	10,000	(10,000)
Marketing-consulting	60,000	-	5,348	5,500	5,405	(18)	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	-	65,733	(287)
Consulting	10,000	-	-	2,500	1,000	(1,500)	-	2,500	-	2,500	-	2,500	-	-	-	-	8,500	(1,500)
Administration	29,650	-	1,850	1,850	1,850	-	1,850	1,850	7,450	1,850	3,700	1,850	1,850	1,850	3,700	-	29,650	-
Accounting Fees	3,240	21	-	270	634	384	270	270	270	270	270	270	270	270	270	-	3,276	36
Business Meals	1,250	1,515	35	100	650	550	700	100	100	100	100	100	100	100	100	-	3,150	1,900
Dues/Subscript/Boots	27,000	894	422	500	344	550	-	-	-	15,000	10,000	10,000	10,000	10,000	10,000	-	25,446	(1,554)
Insurance	6,000	894	422	500	785	285	500	500	500	500	500	500	500	500	500	-	6,001	1
Health Insurance	4,800	724	687	400	-	(400)	400	400	400	400	400	400	400	400	400	-	4,000	800
Legal	6,000	500	500	500	1,919	1,419	500	500	500	500	500	500	500	500	500	-	7,320	1,320
Office Expense	6,000	581	581	500	92	92	500	500	500	500	500	500	500	500	500	-	6,005	5
Telephone	3,500	-	-	-	38	38	-	-	-	-	-	-	-	-	-	-	2,458	(1,042)
Travel	23,812	66	23,776	-	903	653	250	250	250	250	250	250	250	250	250	-	8,958	184
City fees	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000	-
Miscellaneous	3,000	195	-	-	459	459	1,000	-	-	-	-	-	-	-	-	-	2,000	653
Office exp -furniture	3,000	195	-	-	459	459	-	-	-	-	-	-	-	-	-	-	3,653	3,000
Office equipment	13,056	225	834	955	1,728	773	955	955	1,183	1,183	1,183	1,183	1,183	1,183	1,183	-	14,181	1,125
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense/Bank fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personnel																		
Staff Salaries	204,724	17,706	17,226	17,227	17,226	(1)	17,227	17,227	17,227	17,227	17,227	17,227	17,227	17,227	17,227	-	207,202	478
Temp Salaries	3,000	-	-	250	932	702	250	250	250	250	250	250	250	250	250	-	3,452	452
Payroll Taxes	14,184	1,835	1,499	1,182	1,467	285	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	-	15,438	1,254
Contingency	60,000	-	-	5,000	-	(5,000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-	60,000	(10,000)
Total Cash Disbursement	2,321,211	154,106	118,650	168,834	115,447	(53,387)	168,889	187,489	183,117	215,617	189,967	243,067	218,717	166,917	218,820	-	2,321,211	(64,108)
Net Cash Flow	(8,656)	(153,745)	728,509	52,016	(113,564)	(185,600)	50,677	(1,689)	467,183	46,183	(180,567)	(178,967)	(187,717)	(148,262)	(218,720)	-	99,101	107,757
LINE OF CREDIT INC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BEGINNING CASH	257,718	257,718	59,898	781,435	781,835	-	619,752	670,439	688,750	1,135,833	1,182,116	991,540	815,542	620,845	478,803	259,883	257,718	257,718
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Beginning Assets	0,393.43	0,393.43	0,393.43	0,393.43	0,393.43	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Assets	(8,381.43)	(8,381.43)	(25,953.61)	(25,953.61)	(25,953.61)	-	-	-	-	-	-	-	-	-	-	-	-	-
Beginning Liabilities	(206,082.83)	(206,082.83)	(161,786.04)	(161,786.04)	(161,786.04)	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Liabilities	161,786.04	161,786.04	175,165.85	126,587.20	126,587.20	-	-	-	-	-	-	-	-	-	-	-	-	-
ENDING CASH	257,718	59,898	781,435	619,752	670,439	-	670,439	688,750	1,135,833	1,182,116	991,540	815,542	620,845	478,803	259,883	259,883	257,718	257,718
Details of Assets	Beginning Assets: accounts receivable (assessment income)-\$8,393.43, due to/from HED 02-03-03, due to/from Marketing Co-op-\$14,532.18																	
Details of Liabilities	Ending Assets: accounts receivable (assessment income)-\$8,393.43, due to/from HED 02-03-03, due to/from Marketing Co-op-\$14,532.18, accrued expenses (employee vacation)-(\$3,333)																	
	Ending Liabilities: payables & accruals-(\$81,397.33), payroll taxes payable-\$80.16, security payable-\$32,482.11, accrued expenses (employee vacation)-(\$3,333)																	

\*NOTE: Certain December budgeted amounts have been doblbed to account for year-end accruals